

ATTACHMENT 5
SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
 Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2014 plan which represent improvements or changes to the Grantees' FY2014 plan for preventing and detecting fraud, abuse and improper payment prevention.

Instructions: *Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.*

State, Tribe or Territory (and grant official): Commonwealth of Virginia		Date/Fiscal Year: September 1, 2013/Fiscal Year 2014	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2013 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.	Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2014.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies
Virginia (VA) was one of seven states included in the Government Accountability Office (GAO) review of LIHEAP in 2010. Weak fraud prevention and detection measures were cited in the report. Four cases from VA were forwarded to the United States Department of Health and Human Services (HHS) Office of the Inspector General (OIG) for review.	VA is evaluating measures to strengthen fraud detection and prevention. If the OIG releases the four cases that were forwarded for review, VA will determine control weaknesses and develop strategies to prevent future occurrences.	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

According to the Paperwork Reduction Act Of 1995 (Pub. L. 104-13), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

COMPLIANCE MONITORING			
Describe the Grantee's FY 2013 strategies that will continue in FY 2014 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.	If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
<p>The VA Energy Assistance Program (EAP) has a strong sub-recipient monitoring plan/policy in place. VA is state supervised and locally administered by 120 local departments of social services (LDSS). State staff monitors LDSS case management via various online reports. Additionally, a random sample of cases is selected and reviewed by state staff based on a predetermined schedule. Case reading reviews are scheduled/ conducted based on agency caseload size with other factors sometimes taken into consideration (i.e. staff changes, significant requests for technical assistance, etc.). LDSS are reviewed every year, every two years or every three years. A random sample of cases is pulled and reviewed for policy compliance, timely processing and payment accuracy. Findings are reported to the LDSS Director; if necessary, case correction is required and, when appropriate, a corrective action plan (CAP) is submitted by the LDSS.</p> <p>In addition to various sub-recipient monitoring activities, each LDSS must submit a Fraud Plan annually; a fraud plan is required for a LDSS to receive an allocation. The Fraud Plan covers multiple programs. The Fraud Plan template is attached.</p> <p>State fraud staff conducts Fraud</p>	<p>All 2013 activities will continue in 2014.</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

<p>Program Compliance Reviews. Completed investigations are reviewed; the review focuses on the accuracy of the investigative decision.</p> <p>Classroom and online training is available for both new and experienced EAP workers.</p>			
FRAUD REPORTING MECHANISMS			
<p>For FY 2013 activities continuing in FY 2014, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.</p>	<p>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.</p>	<p>If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.</p>	<p>Necessary outcomes of these strategies and systems</p>
<p>The Virginia Department of Social Services (VDSS) has a customer service toll-free number/hotline that in addition to general customer service inquiries can be used to report suspected fraud, abuse and waste. The number is included on the VDSS public website.</p> <p>Information on how to report fraud, abuse, and/or waste has been included on pre-printed applications and EAP factsheets since October, 2010. Additionally, there is information on both the public and internal DSS EAP websites as well as the EAP information sheet regarding the reporting of fraud, abuse, and/or waste.</p> <p>VDSS increases awareness regarding fraud, abuse and waste through collaboration with local media partners.</p> <p>A state employee fraud, waste and abuse hotline is also available</p>	<p>All 2013 activities will continue in 2014.</p>	<p>N/A</p>	<p>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.</p>

for anonymous reporting using one of the following: a toll free number 1-800-723-1615; a fax number of (804) 371-0165; an email to COVHotline@osig.virginia.gov; or by mail at FWA Hotline, PO Box 1971, Richmond, VA, 23218.

VERIFYING APPLICANT IDENTITIES

Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.	Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.	If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.	Necessary outcomes from these systems and strategies
<p>For individuals receiving social security benefits or other forms of public assistance (PA) such as Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) or Medicaid, the verification of social security number (SSN)/identity is completed by these programs and serves as verification for LIHEAP. This represents a large portion of EAP applicants.</p> <p>VDSS requires the SSN of all household members for all three EAP components with the following exceptions: children who are under age 18; individuals who receive Social Security benefits or public assistance; and individuals who hold a "qualified" alien status.</p>	<p>All 2013 activities will continue in 2014.</p>	<p>N/A</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

SOCIAL SECURITY NUMBER REQUESTS

Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.	If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.	Necessary outcomes from these systems and strategies
<p>VDSS requires the SSN of all household members for all three EAP components with the following exceptions: children who are under age 18; individuals who receive Social Security benefits or public assistance; and individuals who hold a "qualified" alien status. However, the EAP automated system currently only collects and stores the SSN for the applicant and spouse. The applicant and spouse's SSNs are cross-checked in the EAP database to ensure the SSN is not found in another case. If either SSN is found in another case, further case processing is prohibited.</p> <p>Since a large number of LIHEAP applicants and household members receive SNAP or TANF, verification of SSN/identity has been completed for these programs.</p> <p>Effective January 27, 2011, in order to be included as a member of the household for the purposes of determining household size, the VDSS began requiring a SSN for:</p> <ul style="list-style-type: none"> • Individuals 18 years and older; • Household members not receiving public assistance; and • Individuals not receiving social security benefits. <p>However, the income of <u>all</u> individuals residing in the household is counted even if the SSN is not required.</p>	<p>As part of the implementation of a client portal for individuals who apply online (CommonHelp), we are now able to collect an SSN for all household members.</p>	<p>N/A</p>	<p><i>All valid household members are reported for correct benefit determination.</i></p>

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES			
Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and continuing in FY 2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.	If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.	Necessary outcomes from these systems and strategies
<p>EAP workers use the State Verification Exchange System (SVES) to verify SSNs.</p> <p>VDSS has attempted to amend the agreement with the Social Security Administration (SSA) to include LIHEAP relative to access/use of SSA State On-Line Query - Internet (SOLQ-I) to verify SSN. To date, VA has not been successful in amending the agreement with SSA to add LIHEAP. The SSA has stated that the only programs allowed to access SOLQ are SNAP, TANF, and Medicaid.</p>	<p>The VA General Assembly passed a bill to amend the Code of Virginia at § 53.1-31.3 (Notification of incarcerated individuals ineligible for public assistance) during the Spring, 2013, session. The bill stated "The Department shall, at regular intervals but at least monthly, provide the Department of Social Services with a list of all individuals committed to the custody of the Department of Corrections during the preceding month, to facilitate identification of prisoners who were receiving public assistance benefits prior to commitment to the custody of the Department and who may, as a result of their incarceration, be ineligible to receive such benefits." A process is being developed to make this data readily available to LDSS staff. LDSS staff will be responsible to review the data and determine if changes are required for the EAP case as well as if a payment was made in error.</p>	N/A	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>
VERIFYING APPLICANT INCOME			

Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.	If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?	Necessary outcomes from these systems and strategies
VDSS does not use the state directory of new hires for EAP income verification. If the household member is a current PA recipient, the income used to determine eligibility for that program (SNAP, TANF or Medicaid) is used to determine LIHEAP eligibility. If the household member is not a current PA recipient, the income must be verified through 3 rd party via pay stubs, employer verification, TALX/the Work Number, the VDSS Systems Partnering in a Demographic Repository (SPIDeR) system, etc.	VDSS will continue to use verified income in the existing PA record for household members receiving PA for the EAP income verification. (Income in the PA record has already been verified by a third party or TALX/the Work Number.)	N/A	<i>Effective income determination achieved through coordination across program lines.</i>

PRIVACY-PROTECTION AND CONFIDENTIALITY

Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.	If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.	Necessary outcomes from these systems and strategies
<p>VA is state supervised and locally administered. Security protocol requires LDSS to ensure the confidentiality/security of client case files; however, it is the LDSS responsibility to determine method/process to secure files.</p> <p>The EAP manual contains guidance about confidentiality requirements in Virginia law (Section 63.2-102 and 63.2-104 of the Code of Virginia) and the Privacy Protection Act of 1976 (Chapter 26 of Title 2.1).</p> <p>VDSS state and local staff must complete an annual online security</p>	The controls in place for FY 2013 will remain in effect for FY 2014.	N/A	<i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i>

training which includes guidance/policy on the protection and security of personal data/information.

VDSS security protocol limits system access only to individuals who require access to perform their jobs. This includes all systems: eligibility, verification and financial.

LIHEAP BENEFITS POLICY

Describe FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.	If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.	Necessary outcomes from these systems and strategies
<p>EAP vendors must provide documentation to support payment requests. All equipment purchases require a recipient signature on the credit authorization when submitted for payment. In addition, the VDSS mails recipient households a notice at the end of each component that lists all vendor payments made on their behalf that season.</p> <p>Relative to potential applicant fraud, at the close of each component, the state generates an address match report on cases receiving direct payments under different case numbers at the same address. This report is analyzed by fraud staff at the state level and forwarded to LDSS fraud staff as appropriate.</p> <p>Fraud information has been added to online vendor training. All new vendors must complete online training in order to become an approved vendor with EAP.</p>	<p>The controls in place for FY 2013 will remain in effect for FY 2014.</p>	<p>N/A</p>	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

PROCEDURES FOR UNREGULATED ENERGY VENDORS

Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY 2014.	If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.	Necessary outcomes from these systems and strategies
<p>EAP vendors must sign an agreement with the VDSS. Credit authorizations/request for payment must include documentation to support the bill (metered ticket etc.). In addition EAP recipients are sent a payment notice at the end of the EAP component that lists vendor payments made on their behalf during the season.</p> <p>Beginning in FY 2011, prior to becoming an approved vendor, all businesses are required to provide VDSS with Virginia Department of Taxation and IRS documents.</p> <p>During FY 2013, VDSS conducted a mass mailing to contact all EAP vendors that were responsible for the provision of certain heating and cooling repair/replacement services for the EAP. The EAP requested proof that the vendor was currently licensed to perform the services. The vendors were advised that they would no longer be allowed to provide these services for the EAP if the vendor failed to provide the license/certification information or if the vendor was not properly licensed. The EAP is currently in the process of updating the vendor data based on the results of this mailing.</p>	<p>VDSS will complete the updates to the EAP vendor data based on the FY 2013 mass mailing. Additionally, all new vendors will be required to provide proof of the proper licensure prior to being approved to provide certain heating and cooling repair/replacement services for the EAP.</p>	N/A	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>
VERIFYING THE AUTHENTICITY OF ENERGY VENDORS			

Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.	If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?	Necessary outcomes from these systems and strategies
<p>Beginning in FY 2011, prior to becoming an approved vendor, all businesses are required to provide Taxation and IRS documents.</p> <p>During FY 2013, VDSS conducted a mass mailing to contact all EAP vendors that were responsible for the provision of certain heating and cooling repair/replacement services for the EAP. The EAP requested proof that the vendor was currently licensed to perform the services. The vendors were advised that they would no longer be allowed to provide these services for the EAP if the vendor failed to provide the license/certification information or if the vendor was not properly licensed. The EAP is currently in the process of updating the vendor data based on the results of this mailing.</p>	<p>VDSS will complete the updates to the EAP vendor data based on the FY 2013 mass mailing. Additionally, all new vendors will be required to provide proof of the proper licensure prior to being approved to provide certain heating and cooling repair/replacement services for the EAP.</p>	<p>N/A</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

TRAINING AND TECHNICAL ASSISTANCE

In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.	Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2014.	If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.	Necessary outcomes from these systems and strategies
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<p>LDSS staff has two EAP training options available: classroom training sessions are available for new workers and various online training modules are available for experienced workers as a refresher. Classroom training is available statewide at the start of each EAP component. The online modules are available year round. LDSS staff training is optional.</p> <p>Additionally, each LDSS is assigned a regional program consultant who monitors the agency as a sub-recipient and also provides technical assistance, policy interpretation, and targeted training as needed.</p> <p>For all components of EAP, a fact sheet containing information about reporting fraud and abuse is provided to clients.</p> <p>A Fraud Awareness course is available for eligibility workers.</p> <p>Online training is available for vendors. In FY 2011, the Vendor training was updated to include information on Fraud.</p>	<p>Activities in FY 2013 will continue in FY 2014.</p>	<p>N/A</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>
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AUDITS OF LOCAL ADMINISTERING AGENCIES

Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.	Please describe new policies or strategies to be implemented in FY 2014.	If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.	Necessary outcomes from these systems and strategies
<p>All LDSS are reviewed/audited as part of the annual 133 Audit (Single Audit Act).</p> <p>Audit findings are reviewed by VDSS and incorporated as needed into sub-recipient monitoring activities.</p>	<p>Activities in FY 2013 will continue in FY 2014.</p>	<p>N/A</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

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Additional Information

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

DRAFT

**FRAUD REDUCTION and ELIMINATION EFFORT (*FREE*) PROGRAM PLAN
LOCAL FISCAL YEAR 2014
(June 2013 – May 2014)**

Department of Social Services

Prepared by:

Submitted by:

Name

Director

Title

Date

**TO PARTICIPATE IN THE REIMBURSEMENT COMPONENT OF THE *FREE*
PROGRAM, THIS DOCUMENT MUST BE COMPLETED.**

ATTACHMENT - STAFFING AND BUDGET INFORMATION

ALL QUESTIONS MUST BE ANSWERED

A. Please provide the following information concerning your agency's FREE Program.

1. Describe your agency's fraud prevention, identification and referral program. Include a detailed description of front-end fraud prevention efforts, including types of questionable case information; traditional investigations; how referrals are made, including how the agency ensures referrals are generated; and disposition of referrals.

2. To whom in the organization does the Fraud Investigator report? Please include name, title, telephone number and email address.

- a. Are the results of the investigation reviewed by a supervisor or the director prior to referring the case for prosecution? Y ____ N ____

Administrative Disqualification Hearing? Y ____ N ____

- b. How often is statistical information in the Fraud Database Tracking System (FDTS) reviewed by a supervisor?

3. If your agency has entered into an agreement for either contracting out your FREE Program, or sharing a FREE position with other local

departments of social services, please describe the arrangement in full and attach a copy of the agreement/contract to this document. If the FREE position is shared, describe the methods used for referral, physical handling of cases, physical location of the investigator(s), etc.

4. Describe your agency's claim/overpayment establishment and collections process, specifying which position in your agency is responsible for each function.

- B. Your agency must have a verbal or written agreement with the Commonwealth's Attorney. Describe your agreement in full, including the limitations/conditions your Commonwealth's Attorney has placed on cases which will or will not be accepted for prosecution (such as, but not limited to, monetary thresholds, confession required, witness availability). If there is a written agreement, please attach a copy to this plan.

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|---|--------|--------|
| 1. Written report required? | Y ____ | N ____ |
| 2. Interview suspect prior to referral? | Y ____ | N ____ |
| 3. Read Miranda? | Y ____ | N ____ |
| 4. Initiate collection prior to referral? | Y ____ | N ____ |
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C. Does your agency have performance standards? If so, what are they? What happens if performance standards are not met?

D. What training does your agency need? Please be specific.

E. Statement of Assurance

The local agency agrees to the following:

1. Forward all suspected fraud allegations to the fraud investigator/unit or staff member designated as fraud investigator.
2. Investigate fraud allegations in all program areas, except Medicaid that is not associated with a money payment case.
3. Maintain a front-end investigative effort that includes all program applications in which there is questionable information.
4. Refer cases for prosecution based on the agency's agreement with the Commonwealth's Attorney.
5. Refer cases for Administrative Disqualification Hearings (ADH) as required.

6. Access the electronic Disqualified Recipient Subsystem (eDRS) and report disqualifications to eDRS in accordance with SNAP policy.

Name of primary eDRS contact: _____

Name of backup eDRS contact: _____

7. Participate in and investigate allegations resulting from computer match programs, including Public Assistance Reporting Information System (PARIS).

8. Submit delinquent debts to the Set-Off Debt Collection Program (state income tax refunds). Review all Treasury Offset Program (TOP) reports and certify accuracy to the VDSS.

Name of person who submits debts to State Tax: _____

Name of person who reviews TOP debts for certification: _____

9. Report fraud activity to the Fraud Database Tracking System by the 5th calendar day of each month.
10. Notify Fraud Management (FM) of any changes in FREE Program operation and/or staffing as soon as possible.
11. Use the term "Fraud Investigator" as the job title of staff dedicated to the FREE Program. Validate and update LETS (Local Employee Tracking System) data as required.
12. Post all collections to appropriate systems, including ADAPT, ICC (Interim Child Care), and LASER within time frames established by the specific program policy.
13. Pro-rate cash collections on claims involving multiple categories of assistance, as appropriate.
14. Refer, in a timely manner, allegations of Medicaid fraud on cases not associated with a money payment case to the Department of Medical Assistance Services (DMAS) for investigation.
15. Notify the DMAS of non-entitled use of Medicaid services.

16. Make available investigative and claims material to the VDSS upon request.
 17. Participate in USDA and Virginia State Police initiatives, such as EBT trafficking investigations and Operation Talon.
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Attachment: LFY 2014 FREE Program Staffing

Name of Agency _____

<u>Name</u>	<u>Title</u>	<u>Total Hours Work Per Week</u>	<u>Hours Work per Week in FREE Program</u>	<u>Hours Work per Week in Other Programs – List Program</u>	<u>Telephone Number</u>	<u>E-mail Address</u>

Proposed FREE Program Budget (This information is not required but beneficial to Fraud Management):

Salary/Fringe Benefits: _____

Training/Conferences:
(Lodging/Travel/Meals) _____

TOTAL _____

Do not include supervisory, claims, or clerical staff. Enter the TOTAL hours worked per week and the number of hours worked per week in fraud and other programs, specifying the program. Enter ONLY the portion of the individual's salary related to fraud investigations. For example, if the individual's total salary is \$30,000 and that person works 50% of the time in fraud, enter \$15,000.